

the development and improvement of the leased premises. The encumbrance instrument must be approved by the Director in writing. An assignment or sale of leasehold under an approved encumbrance can be made with the approval of the Director and the consent of the other parties to the lease, provided, however, that the assignee accepts and agrees in writing to be bound by all the terms and conditions of the lease. Such purchaser will be bound by the terms of the lease and will assume in writing all the obligations thereunder.

§ 18.11 Special requirements.

(a) All leases made pursuant to the regulations in this part shall be in the form approved by the Director and subject to his written approval.

(b) No lease shall be approved or granted for less than the present fair market rental value.

(c) Unless otherwise provided by the Director a satisfactory surety bond will be required in an amount that will reasonably assure performance of the contractual obligations under the lease. Such bond may be for the purpose of guaranteeing:

(1) Not less than one year's rental unless the lease contract provides that the annual rental or portion thereof shall be paid in advance.

(2) The estimated construction cost of any improvements by the lessee.

(3) An amount estimated to be adequate to insure compliance with any additional contractual obligations.

(d) The lessee will be required to secure and maintain from responsible companies insurance sufficient to indemnify losses connected with or occasioned by the use, activities, and operations authorized by the lease. Types and amounts of insurance coverage will be specified in writing and periodically reviewed by the National Park Service.

(e) The lessee shall save, hold harmless, and indemnify the United States of America, its agents and employees for losses, damages, or judgments and expenses on account of personal injury, death or property damage or claims for personal injury, death, or property damage of any nature whatsoever and by whomsoever made arising out of the activities of the lessee, his employees,

subcontractors, sublessees, or agents under the lease.

(f) No lease shall provide the lessee a preference right of future leases.

(g) The lessee is responsible for any taxes and assessments imposed by Federal, State, and local agencies on lessee-owned property and interests.

(h) The lessee shall comply with local applicable ordinances, codes, and zoning requirements.

§ 18.12 Ownership of improvements.

(a) Capital improvements made to existing government-owned structures by the lessee or additional structures placed on the government-owned land by the lessee are the property of the United States. No rights for compensation of any nature exist for such property at the termination or expiration of the lease except as specified in the lease.

(b) Furniture, trade fixtures, chattel, and other personal property defined in the lease shall remain the property of the lessee upon termination or expiration of the lease and shall be removed within a reasonable time specified in the lease.

§ 18.13 Exchanges for historic property.

(a) After consultation with the Advisory Council on Historic Preservation, the Secretary, consistent with other legal requirements or other legal authorities, may exchange any property owned by the United States of America under his administration for any non-federally owned historic property located within the authorized boundaries of an existing unit of the National Park System, if he has determined that such exchange will adequately ensure preservation of the historic property and subject to the requirements of § 18.3 of this part.

(b) The exchange of the two properties must be on the basis of approximately equal fair market value established by the approved appraisal reports of the agency. The Secretary may accept cash from or pay cash to the grantor in an exchange, in order to equalize the values of the properties exchanged.

(c) Title to the non-Federal property to be received in exchange must be free and clear of encumbrances and/or liens.

(d) Prior to consummation of any exchange, the Secretary shall evaluate the Federal land to be exchanged, and shall reserve such interests as necessary to protect the purposes for which the unit of the National Park System was established. The grantor of property to the Federal Government may reserve only such rights as are compatible with the purposes for which it is being acquired as determined by the Secretary. Appraisal of fair market values must reflect any reservations or restrictions.

PART 20—ISLE ROYALE NATIONAL PARK; COMMERCIAL FISHING

Sec.

20.1 Definitions.

20.2 Permits; conditions.

20.3 Maximum number of permittees.

20.4 Revocation of permits; appeal.

AUTHORITY: Secs. 1-3, 39 Stat. 535, as amended, sec. 3, 56 Stat. 133, secs. 1, 2, 67 Stat. 495, 496; 16 U.S.C. 1, 1b, 1c, 2, 3, 408k.

SOURCE: 24 FR 11055, Dec. 30, 1959, unless otherwise noted.

§20.1 Definitions.

As used in this part:

(a) *Park* means Isle Royale National Park.

(b) *Permittee* includes all persons engaged in commercial fishing from bases in the Park, except those life lessees who were engaged in such occupation at the date of the issuance of their leases.

[24 FR 11055, Dec. 30, 1959, as amended at 60 FR 55791, Nov. 3, 1995; 62 FR 30235, June 3, 1997]

§20.2 Permits; conditions.

Annual, revocable special use permits authorizing the use of Government-owned structures and facilities in the Park as bases for commercial fishing in the waters contiguous to the Park may be granted by the Director of the National Park Service, or the Regional Director if authorized by the Director, to bona fide commercial fishermen, where such structures and facilities were used for this purpose during the period from April 1, 1937, to Decem-

ber 31, 1939, inclusive, subject to the following conditions.

(a) Permittees will be required to pay an annual fee as set forth in part 6 of this chapter.

(b) Permittees shall personally reside at their Park bases during the fishing season.

(c) Permittees shall secure and possess at all times such commercial fishing license as may be required by the State of Michigan.

(d) Permittees shall comply with all Michigan laws, and related regulations prescribed by the Michigan Department of Conservation, governing commercial fishing in the waters contiguous to the Park.

(e) Permittees shall use the bases covered by the permit for commercial fishing only. No permittee shall furnish boat or guide service to the public unless expressly authorized to do so by the Secretary or the Director.

(f) Permittees shall maintain at their own expense, in accordance with reasonable standards of repair, safety, and sanitation, all Government-owned structures and facilities embraced in the permits.

(g) The size, type and location of nets and gear and the number of men engaged in the operation of the fishing base of the permittee shall be prescribed in the permit. Only nets and gear approved by the Michigan Department of Conservation shall be used.

§20.3 Maximum number of permittees.

Commercial fishermen to whom the annual revocable permits may be granted shall not exceed the maximum number of persons conducting commercial fishing operations from bases in the area comprising the Park at any one time during the period from April 1, 1937 to December 31, 1939, inclusive.

§20.4 Revocation of permits; appeal.

The Director of the National Park Service may, by notification in writing, revoke the permit of any permittee found by him to have violated any Federal statute or the provisions of these or any other regulations of the Secretary, relating to the Park. A permittee, however, shall have the right to appeal to the Director, Office of Hearings and Appeals, from a decision